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Rural Recreation Enterprises

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OUTDOOR RECREATION is growing rapidly in the United States. By the year 2000, recreation participation is likely to be four times what it was in 1960, according to the U.S. Bureau of Outdoor Recreation.

A large portion of this increased recreation will take place in rural areas and as a largely rural state, Iowa will share in this growth. Within Iowa, the increase may not be fourfold, but it is expected to be substantial.

A study by the department of forestry at Iowa State University shows that participation in golf, camping, swimming and picnicking will increase substantially by 1980. On the other hand, traditional activities such as hunting and fishing are expected to either increase only slightly or even decline (Table 1). However, these declines should be slight when compared with gains in other activities.

The Iowa Recreation Survey, on which this article is based, consists of responses of 812 Iowans to a statewide random survey. These people indicated their recreational activities, the level of participation, as well as their preferred recreational activities, and some indication of activity location. Participation levels for various activities were established by relating the

social and economic characteristics of the sample to the present activity levels. On this basis, future activity levels were projected with expected social and economic conditions.

Less Public Land

In contrast to several other states, Iowa does not have large areas of public land available for outdoor recreation. So, many Iowans must look to private owners of rural land for recreation sites. According to a 1966 survey by the ISU forestry department and the Iowa Conservation Commission, only about 50 percent of all Iowans use public facilities for outdoor recreation in Iowa. Thus 50 percent of the Iowa population depends on the private landowner for outdoor recreation.

The promising outlook for recreation demand in Iowa, coupled with this widespread dependence on private landowners for recreation areas, has created a large number of privately-owned recreation enterprises. These range from elaborate resorts to fish-for-pay lakes and farm ponds.

An Iowa Conservation Commission survey lists nearly 1,000 such enterprises in the state. Included are more than 200 golf courses, over 100 fish-for-pay lakes and ponds, over 40 vacation farms or dude ranches, over 20 riding stables, nearly 20 campgrounds,

and 10 shooting preserves, as well as other enterprises ranging from winter sports areas to archery ranges. Most of these enterprises are owned and operated by Iowans.

Potential owners and operators will want to know if there are already enough recreation areas. In some localities, there may be enough recreation enterprises to meet all present and future needs, while in many other areas there is ample room for successful enterprises.

Enterprises are most likely to be successful if they offer a type of recreation not presently available in the area, or a type of recreation (such as vacation farms and dude ranches) that may draw people from other states. Information on existing and proposed enterprises must be carefully gathered and fully analyzed before investing in expensive recreation facilities in a specific location.

Types of Recreation

What kinds of recreation might Iowans be willing to pay for? The ISU survey indicates fishing, hunting, and swimming are the activities most desired by Iowans. Although these activities are not likely to increase in the future, the number of people participating in them will remain quite high. In 1963, 41 per cent of all Iowans fished, 38 percent swam, 12 percent rode horseback, 41 percent did some type of boating, 15 percent camped, and 19 percent hunted while 78 percent picnicked (Table 1). There appear to be many potential customers for an outdoor rural recreation enterprise, and also a wide range of possible activities.

"What income can I expect from an outdoor recreation enterprise and how much must I invest?" This vital question cannot be answered in generalities because of the wide variation found in both of these fac-

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RECREATION ENTERPRISES

by Glenn H. Manning and Henry H. Webster

tors. The answer depends on the kind of enterprise, the location, the customers attracted and a number of other factors. A Missouri study by Ronald Bird in 1962 listed net returns from \$33 to \$18,000 a year. But the average was near \$2,000. In general, the more time and money invested in a recreation enterprise, the greater the return.

The capital investment required to obtain these Missouri incomes varied as widely as the returns. Investments in campgrounds for instance, averaged nearly \$16,000, while investments in fishing ponds averaged only a third of this — about \$5,000. Some investments were less than these, but some were greater.

The average investment for all types of enterprises was approximately \$28,000. An average income of \$2,000 on an investment of \$28,000 is a respectable 7 percent rate of return, if the total income can be considered as a return to investment.

Best Location

The best areas for each type of enterprise generally require proximity to a large group of potential

customers and good access from major highways. Other factors which are potentially important are advertising, a wide choice of facilities, and economic prosperity in the market area.

Specific requirements vary with the type of enterprise. For example winter sports areas need hilly ground for ski trails and sled grounds, while successful hunting preserves need several hundred acres of good game cover and farmland.

All enterprises require a heavy commitment to their success. If you want to start in this field you must ask yourself if you are willing to put in the hard work necessary to establish and maintain a successful recreation enterprise. You must be sure that you are willing and able to get along with a wide variety of demanding people; know that you are a good businessman, and be willing to sacrifice time and money initially to make a success of the operation. You must be all of these things if you want to have even a 50-50 chance of success.

If you *are* interested in establishing a rural recreation enterprise, two important sources of informa-

tion are available: your county extension director and the extension forester or wildlife specialist at ISU. Other sources of aid are the Soil Conservation Service, Small Business Administration, Federal Land Banks, the ISU fish and game department, and Conservation Commission biologists. All of these agencies are good sources of information and aid. You can get help in designing facilities, aid in construction of water structures, and aid in financing.

Opportunities in commercial outdoor rural recreation are *not* unlimited in Iowa, but they *are there*. If you think you want to work hard, meet the public, and get a lot of satisfaction from your work, a rural recreation enterprise is a good bet, subject to careful investigation.

(Further details on required investment and acreage, and revenue for recreation enterprises are outlined in FS-1194 "Outdoor Recreation Enterprises— A New Source of Income in Iowa." The publication is available through local extension service offices, or from the Publications Distribution Center, Printing and Publications Building, Iowa State University, Ames, Iowa 50010.)

TABLE 1. Projected rates of outdoor recreation activity, 1966-1980, for Iowa.

Activity	1966		1970		1975		1980		Percent Increase to 1980
	Days per person	Total days	Days per person	Total days	Days per person	Total days	Days per person	Total days	
Horseback riding	1.340	2,953,000	1.350	3,170,000	1.277	2,987,000	1.225	2,906,000	-1.2
Golf	1.003	3,718,000	1.419	5,603,000	1.762	6,933,000	2.079	8,296,000	94.1
Fishing	4.139	8,457,000	4.087	8,897,000	4.054	8,793,000	4.025	8,854,000	4.7
Boating	2.402	5,215,000	2.415	5,587,000	2.479	5,713,000	2.511	5,869,000	12.1
Swimming	4.875	10,139,000	5.741	12,721,000	5.869	12,958,000	6.079	13,611,000	32.4
Hunting	1.503	3,234,000	1.524	3,494,000	1.459	3,333,000	1.387	3,213,000	-0.2
Camping	0.929	2,205,000	0.990	2,504,000	1.073	2,704,000	1.158	2,960,000	30.9
Picnicking	5.736	11,489,000	5.926	12,466,000	6.178	13,135,000	6.424	13,852,000	19.5